



West Coast Seafood Processors Association
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August 1, 2020

Jim Sanford
Assistant U.S. Trade Representative for Market Access and Industrial Competitiveness
600 17th Street N.W.
Washington, D.C. 20508

Drew Lawler
Deputy Assistant Secretary for International Fisheries
National Oceanic and Atmospheric Administration

Submitted via email: SeafoodTrade.Strategy@noaa.gov

RE: Recommendations for National Seafood Trade Strategy

Dear Mr. Sanford, Mr. Lawler, and Members of the Seafood Trade Task Force:

On behalf of the West Coast Seafood Processors Association (WCSPA), I submit the following recommendations for shaping a comprehensive interagency National Seafood Trade Strategy. WCSPA represents shoreside processing companies and related businesses located in California, Oregon, Washington, and Alaska. Our member companies also have plants and seafood distribution facilities in Texas, Hawaii, Nevada, Utah, Arizona, and Florida. WCSPA members process the majority of whiting and non-whiting groundfish landed on the U.S. West Coast, in addition to sardines, albacore tuna, Dungeness crab, pink shrimp, and other important commercial species. WCSPA processing companies range from “mom and pop” operations to some of the largest seafood companies in the United States, employing thousands of workers in harvesting, processing, transporting, and distributing seafood across the country and throughout the world. We applaud President Trump’s decision to improve access to foreign markets, resolve technical barriers to U.S. seafood exports, and support fair market access for U.S. seafood products, as stated in the *Executive Order on Promoting American Seafood Competitiveness and Economic Growth*.

West Coast seafood producers and exporters face extraordinary challenges in the global marketplace, including – among other things – tremendous trade uncertainty in recent years, the strength of the dollar against most foreign currencies, and competition from low-cost seafood producers from nations that are not subject to environmental safeguards and labor protections like U.S. fisheries. In addition, most foreign-harvested seafood imported into the U.S. enters duty-free, enabling foreign products to compete with our products within the U.S. marketplace. Joining these challenges is the sharp uphill battle recently created by the COVID-19 global pandemic, including the near worldwide shutdown of the foodservice industry, which generally accounts for a majority of seafood consumption, on top of the logistical difficulties we currently face throughout the global supply chain.

It is imperative that the Administration help ensure that U.S. seafood products can compete and thrive in the global seafood marketplace through fair access to key export markets. Our National Seafood Trade Strategy should focus on advancing this goal. Towards this end, we support and echo the detailed comments and recommendations submitted by our partners in the North Pacific region (see July 22, 2020 recommendations submitted by Pacific Seafood Processors Association, Alaska Seafood Marketing Institute, and the coalition of organizations under the title of *American Seafood*). West coast seafood producers share many of the significant international market challenges identified by these organizations.

Tariff elimination is critical to providing viable opportunities for U.S. seafood to compete in the global marketplace. The U.S. seafood industry faces steep tariffs in almost every important export market, while foreign seafood producers routinely gain duty-free access to the U.S. market. These tariffs erode our market share, undermine our ability to compete, and further exacerbate our nation's seafood trade deficit. For example, Europe and Japan, two critical export markets for U.S. seafood, both impose significant tariffs on U.S. seafood imports. Meanwhile, we continue to import most Japanese and European seafood products tariff-free. It is critical that the United States pursue the elimination of seafood tariffs via bilateral and/or multilateral negotiations with leading trading partners. This should be a primary goal of a U.S. National Seafood Trade Strategy.

The EU Common Market Organization, which operates within the Common Fisheries Policy, maintains an Autonomous Tariff Quota (ATQ) system for certain fish imports, including an especially important species exported by West Coast seafood producers – **cold water Pacific shrimp, *Pandalus jordani***. In size, color, and product form, Pacific shrimp are virtually identical to cold water shrimp of the species *Pandalus borealis*, which are largely harvested in Canada (as well as a small amount in the eastern North Atlantic). Cold water shrimp are a highly desired product in the European market, and while *P. jordani* is largely preferred over *P. borealis*, *P. jordani* enter the European market under a small quota, after which a significant tariff applies. The quota system makes it virtually impossible for our exporters to compete in the markets in these countries. This has been a longstanding problem for the West Coast cold water shrimp market. Freeing seafood trade from this system would benefit U.S. seafood exporters in one of its largest markets and bring parity with EU seafood products entering the U.S. duty free. Moreover, following Brexit, the UK has also maintained such tariffs and quota systems that limit the growth of U.S. seafood exports. Reliance upon the ATQ system gives rise to business uncertainty and planning difficulties, inflicting damage on the entire seafood sector.

In addition to ATQ tariffs, we must navigate unrelated disputes surrounding aircraft, automobiles, and digital service taxes – all of which lead to collateral damage on seafood markets through retaliatory tariffs. Various seafood product lines have been considered to be the subject of retaliatory tariffs. For example, most of our seafood exports to **China**, the largest and fastest-growing seafood market in the world, face 30% retaliatory tariffs in addition to underlying tariffs that predate the current trade dispute. Meanwhile, we continue to import many Chinese seafood product lines tariff-free. The U.S. seafood industry has asked the Administration to do everything possible to forestall the imposition of any such additional tariffs caused by disputes unrelated to seafood. This must be addressed in a National Seafood Trade Strategy.

Another example of the stark inequities associated with international seafood trade can be found **between the U.S. and Russia**. Russia has closed its market entirely to almost all U.S. seafood products under an embargo initiated in 2014, in response to trade sanctions on Russia related to actions in eastern Ukraine. None of the U.S. sanctions related to seafood products. However, Russia retaliated with sanctions against a host of nations that included banning U.S. seafood exports to Russia. Before 2014, Russia was a key market for certain U.S. seafood exports, including millions of dollars of Pacific hake (whiting). Meanwhile, most Russian seafood products continue to enter the United States duty-free. Russia's embargo has been particularly harmful to West Coast exporters, who have not only lost access to important markets; they have also faced increased competition in non-Russia markets from other producers also blocked by Russia sanctions. **The inequitable trade situation between the U.S. and Russian seafood must be addressed.**

Again, we thank you for your attention to these important issues, and for ensuring that seafood trade challenges are a central part of the President's recent *Executive Order on Promoting American Seafood Competitiveness and Economic Growth*. The Seafood Trade Task Force is a much-needed opportunity to resolve the enormous disparity that exists between the Administration's stated goal of fair and reciprocal trade in seafood and the current arrangements that place U.S. seafood producers at a profound disadvantage in the international arena. We look forward to working with you as this effort proceeds, and we stand by ready to answer questions and provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Lori L. Steele". The signature is written in a cursive, flowing style.

Lori Steele
Executive Director, WCSPA